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29 November 1957

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Dear Dan:

In response to a request by Bill, we are submitting a proposal for two modifications of the System 3 M-2 equipment. One modification consists of increasing receiver sensitivity by about 13 db through a redesign of the R-F circuitry. The other modification permits aural monitoring with a headset whose left and right earphones are connected to the outputs of separate receivers. This split-headphone modification involves the addition of a small amount of circuitry to the existing control unit and the addition of an output unit.

The addition of this output unit plus the addition of the display unit we proposed a few weeks ago increases cable complexity to the point where there is no longer room for the cable inter-connects behind the basic units of the System. It also appears that there will be no room for the power control relay inside the control panel. For these reasons we are adding a separate junction box and associated cabling.

These modifications can be installed on the first two System 3 equipments within sixteen weeks after receipt of authority to proceed.

The total cost of these two modifications including their installation on Systems No. 101 and 102 is \$52,483. [REDACTED] and the total estimated cost [REDACTED] is \$56,812. 1958 wage and burden rates are used as most of the work will be done during that time. Our costs are based on the assumption that approval will be received by 9 December 1957.

We have proposed a revised delivery schedule for the Systems based on delivery of the first two completely modified System 3 M-2 equipments on 7 April 1958. Bill advises us that such a delay is satisfactory from the operating standpoint. We have suspended work on the R-F circuits as mentioned in our letter of 11 November 1957 in order to avoid the excessive costs of rework. The suspension of work on these circuits will delay delivery of the first System 3 units even if the circuit revision is not approved.

It is too early to submit a firm estimate of the costs of incorporating the revised R-F circuitry and the output units into the fourteen remaining systems. However, we do plan to submit such a proposal in about a month. At the present time it appears that this cost will not exceed \$700 per System. It is not yet clear to what extent the vehicle manufacturer will supply inter-connecting cables on the remaining fourteen systems, so we can not at this time make an estimate on what these costs will be.

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We plan to submit revised proposals for the support equipment, spares, and field services as soon as these requirements become clear.

A copy of this letter and proposal is enclosed for Bill.

Sincerely,

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Dean

Enclosures:

Copies 1-3 of the following
CMCG Doc. No's.

1131X5.127

1132X5.181

1134X5.61

1134X5.62

1133X5.53 (Technical Exhibit 5 copies)

cc: Bill H. - Copy 4 of the above classified
documents except Copy 6 of 1133X5.53

cc: H.A.W. - A.G.O.
Copy 5 of the above classified
documents except 1133X5.53

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Proposal: CAN 97
25 November 1957

STATEMENT OF WORK
Modification of System 3 M-2 to
Provide Increased Sensitivity
and Split-Headphone Output

The Contractor proposes to provide the necessary engineering, labor, facilities, and material to perform the following work:

<u>Item</u>	<u>Description</u>
1	Redesign the System 3 M-2 R-F circuits to increase receiver sensitivity as described in the accompanying Design Plan (CMCC Doc. No. 1133X5.53). Fabricate two (2) sets of the redesigned circuits and incorporate them into Number 101 and 102 of the System 3 M-2 Equipment.
2	Design and develop a Split-Headphone Output Unit as described in the accompanying Design Plan (CMCC Doc. No. 1133X5.53). Fabricate two (2) of the output units and incorporate them into Number 101 and 102 of the System 3 M-2 Equipment.
3	Design a junction box and cabling to interconnect the components of the System. Fabricate two (2) of these junction boxes for incorporation into Number 101 and 102 of the System 3 M-2 equipment.
4	Revise the System 3 M-2 Instruction Guides as necessary to describe the modified R-F circuits and output units.




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Proposal: CAN 97
25 November 1957**COST ESTIMATE****Item 1 - R-F Modification - System 3 M-2**

	<u>Labor</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
25X1A	Engineers			\$ 4,240
	Technicians			2,688
	Designers and Draftsmen			2,190
	Shop Mechanics			413
	Writers and Illustrators			414
				<u>\$ 9,945</u>
25X1A				13,426
	Direct Charges			
	Purchased Parts	\$5,000		
	Fabricated Parts	2,500		
	Reproduction	<u>70</u>		<u>7,570</u>
				\$30,941
25X1A				<u>4,177</u>
	TOTAL ESTIMATED COST			\$35,118

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Proposal: CAN 97
25 November 1957**COST ESTIMATE****Item 2 - Split-Headphone Output Unit - System 3 M-2**

Labor	Hours	Rate	Amount
Engineers			\$ 1,272
Technicians			1,536
Designers and Draftsmen			1,278
Shop Mechanics			495
Writers and Illustrators			414
			<u>\$ 4,995</u>

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			6,743
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Direct Charges

Purchased Parts	\$550	
Fabricated Parts	200	
Reproduction	60	
Packaging	<u>15</u>	
		<u>825</u>

\$12,563

		<u>1,696</u>
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TOTAL ESTIMATED COST**\$14,259****SECRET**

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COST ESTIMATE**Item 3 - Junction Box and Cabling - System 3 M-2**

Labor	Hours	Rate	Amount
Engineers			\$ 106
Technicians			128
Designers and Draftsmen			428
Shop Mechanics			26
Writers and Illustrators			69
			<u>\$ 767</u>
			1.035

Direct Charges

	J-Box	Cabling
Purchased Parts	\$200	\$500
Fabricated Parts	100	
Reproduction	25	
Packaging	10	

935

\$ 2,737

369**TOTAL ESTIMATED COST****\$ 3,106****Item 4 - Instruction Guide Revisions - System 3 M-2**

(Included in the costs of Items 1, 2, and 3)

TOTAL ESTIMATED COST OF PROGRAM\$52,483**TOTAL ESTIMATED COST INCLUDING FEE**\$56,812**SECRET**

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Proposal: CAN 97
25 November 1957



DELIVERY SCHEDULE

**Modification of System 3 M-2 to
Provide Increased Sensitivity
and Split-Headphone Output**

**All items in the Statement of Work will be delivered
sixteen (16) weeks after receipt of authority to proceed.**

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Proposal: CAN 97
25 November 1957**REVISED DELIVERY SCHEDULE
SYSTEM 3 M-2**

The following revised delivery schedule for System 3 M-2 and its associated support equipment is based upon the addition of the display unit, increased receiver sensitivity and addition of the output unit: (based upon receipt of authorization to proceed by 9 December 1957)

Serial No.DateSystem 3 M-2

101, 102	7 April 1958
103, 104	21 April 1958
105, 106	5 May 1958
107, 108	19 May 1958
109, 110	2 June 1958
111, 112	16 June 1958
113, 114	30 June 1958
115, 116	14 July 1958

Test Sets

1	7 April 1958
2	5 May 1958

Fly-away Kits (FAK)

1	7 April 1958
2	5 May 1958

Special Lists of Equipment (SLOE)

1	7 April 1958
2	5 May 1958

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